

CO-OPERATIVE DEVELOPMENT PROGRAM

FUNDING COMMITTEE

The Funding Committee was established by the Ministry of Employment and Training to assist in the implementation of the Co-operative Development Program (CDP). The role of the Funding Committee is to help in assessing applications, interviewing applicants and making funding recommendations to the Minister for Employment and Training.

The Committee represents an independent source of advice for the Ministry and has the following membership:

Ministry of Employment and Training (2)
Small Business Development Corporation (1)
Funded Co-operatives ;(3)
Co-operative Federation of Victoria (1)
Registry of Co-operatives (1)
Department of Labour and Industry (1)
Victorian Credit Co-operatives Association (2)

Of the 11 members of the committee, therefore, six represent the co-operative sector.

Support for co-operatives is based on four inter-related broad criteria:

- . Actual and/or potential economic viability -
market and product, workforce skills, leadership
capability and capital requirements.
- . An understanding of and commitment to co-operative
principles and practices eg., co-operation between
co-operatives, education and training plans.
- . An understanding of and commitment to industrial/economic
democracy principles and practices.
- . Actual/proposed workforce and union commitment to and support
for co-operative establishment/conversion.

Encouragement of co-operatives based on this broad criteria is essential if start-up and conversion co-operatives are to demonstrate and practice democratisation of work and workplaces and maintain and/or create jobs. Economic viability, co-operative and democratic work and workplace practices must be considered inter-dependent if assistance for co-operatives is to be justified.

For start-up co-operatives funding of an operational co-operative would be subject to participation in two consecutive courses - Co-operative Intenders and Co-operative New Enterprise courses.

Applications are initially processed by the Ministry's CDP Unit. Groups complete an initial questionnaire and are then interviewed on their interest in establishing and developing a co-operative or converting a company into a co-operative.

Start-up co-operative proposers are subsequently invited to attend a three day Co-operative Intenders Course. The Intenders course addresses business principles and practices, co-operative philosophy and practice, industrial/economic democracy, trade unions and industrial relations.

Having completed the course groups who wish to continue with an application are referred to the Funding Committee for possible inclusion in a Co-operative New Enterprise Course.

The Funding Committee receives a questionnaire completed by the group at the end of the course, written comments from the course providers and normally interviews representatives from the group at the meeting. There is no limit on the number of representatives from a group who can attend the meeting.

AT THE FUNDING COMMITTEE MEETING:

1. The Funding Committee initially discusses the application - issues, concerns and questions are identified.
2. The applicants are invited into the meeting, introduced and invited to present their case.
3. Members of the Funding Committee ask questions.
4. The applicants are invited to ask their own questions and make any final comments.
5. The applicants leave the meeting.
6. Members of the Funding Committee discuss the application and make a recommendation for the Minister.

The Funding Committee decides whether or not a group is to be enrolled in the Co-operative New Enterprise Course.

The course develops the content of the Intenders course but with the specific focus of developing a business plan through feasibility studies. The course itself involves three weeks of formal contact. Sounding Boards are also established which comprise business people with a range of skills. These Sounding Boards enable groups to test reactions to their proposals.

Award wages are paid to fund participation in the course and for the development of the business plan. The whole process lasts approximately four months.

AFTER THE FUNDING COMMITTEE MEETING

1. The CDP Unit prepares the appropriate documentation - a memorandum with a recommendation, the Funding Committee's recommendation. If funding is recommended the documentation will include an authorisation form, an L2A form and two Funding Agreement forms.
2. The recommendation is processed within the Ministry. This may involve queries and clarifications.
3. The final Ministry recommendation is received by the Minister. A decision is made by the Minister and a letter is forwarded to the group.
If an applicant is to be funded, then, the Minister's letter will be accompanied by an L2A form and two Funding Agreement forms. You will be requested to sign and return these forms. The Minister signs both Funding Agreement forms and one copy is returned to the co-operative.
4. If the applicant is denied funding, then, it is possible to request reconsideration - stating reasons in detail. These reasons should relate to the Program's objectives and funding conditions.

Once groups are enrolled in the New Enterprise course dates are set for the presentation of their completed business plan to the Ministry of Employment and Training. Comments from Sounding Board panel members are also made available simultaneously to the Ministry. The plans and comments are then forwarded to the Funding Committee. A Funding Committee meeting will be organised a fortnight from the date on which the material is received by its members.

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